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ABSTRACT

This publication on reauthorization recommendations for the Workforce Investment Act of 1998 (WIA) comprises three documents. The first is a short summary of reauthorization recommendations for Title I and II. Title I recommendations are to eliminate sequential eligibility; promote greater access to training; improve adjustment of performance measures; require that performance measures take into account job quality and better capture earnings changes; address needs of those with limited English skills; encourage programs to combine adult education, English as a second language (ESL), and job training services; promote informed consumer choice by creating a process for fixing problems with the provider certification system; and clarify how WIA should take into account federal student aid received. Title II recommendations are to improve effectiveness of services by focusing funds on high quality programs; address needs of those with limited English skills; encourage programs to combine adult education, ESL, and job training services; and strengthen links to postsecondary education and job training. The second document, written by Nisha Patel and Julie Strawn, is a discussion of the rationale for each recommendation. The third document, written by Nisha Patel and Mark Greenberg, is a summary and side-by-side comparison of Title I provisions in current law and these WIA reauthorization proposals: eight-page plan released by the Bush Administration in February 2003 and the bill (H.R. 1261) passed on May 8, 2003. (YLB)

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WIA REAUTHORIZATION RECOMMENDATIONS

By Nisha Patel and Julie Strawn

ED 480 001

The Workforce Investment Act of 1998 (WIA) substantially altered the federally funded system for job training and other employment-related services. Federal policy for these services is set out in Title I of WIA, which requires that each of nearly 600 local workforce areas develop and administer a one-stop delivery system with a broad array of employment and training services available to job seekers and employers. In addition, Congress folded into WIA the existing Adult Education and Family Literacy Act (AEFLA), as Title II of the law. AEFLA, or WIA Title II, is a federal program to assist undereducated or limited English proficient adults or out-of-school youth in improving their skills. Congress is scheduled to reauthorize both titles by September 30, 2003. What follows is a short summary of reauthorization recommendations for both Title I and II and a separate document that includes a discussion of the rationale for each recommendation.

SUMMARY OF WIA TITLE I AND TITLE II RECOMMENDATIONS

TITLE I

1. ELIMINATE SEQUENTIAL ELIGIBILITY.

- Eliminate sequential eligibility and allow individuals to receive intensive and training services in any sequence determined appropriate by assessment in order to meet employment and earnings goals established in conjunction with the one-stop operator or partner.

2. PROMOTE GREATER ACCESS TO TRAINING.

- Require that states and local areas spend a minimum percentage of adult and dislocated worker funds on training services.
- Require that states and local areas that fail to meet the expenditure requirement receive the same penalties for noncompliance that apply for failing to meet adjusted performance measures under current law.
- Require that in order to receive WIA incentive funds, states and local areas must spend at least the minimum percentage of funds on training.
- In their quarterly financial reports and annual reports, require that states report to the Department of Labor, and that local areas report to states, on the amount of adult and dislocated worker funds spent on each category of services (core, intensive, training).

3. IMPROVE ADJUSTMENT OF PERFORMANCE MEASURES.

- Adjust performance measures to take into account local conditions and characteristics of participants at intake, including: lack of high school diploma or GED; limited employment history; physical and

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mental health problems (including documented disabilities); low basic skills; limited English proficiency; and local labor market conditions.

- To the extent that expected levels are adjusted to take into account populations with barriers to employment, states and local areas should be held accountable for serving these populations.

4. Require that performance measures take into account job quality and better capture earnings changes.

- Add a measure requiring documentation of wages at placement, as well as availability of employer-sponsored health care and vacation/sick leave benefits.
- Revise the earnings change measure to capture earnings changes 12 months after the program (as compared to preprogram earnings).

5. Address the needs of those with limited English skills.

- State plans currently must describe how the state will meet the service needs of special populations. Limited English proficient individuals should be added to the list of special populations.
- Include assessment of English proficiency as part of core services.
- Add ESL to the list of activities that can be provided in conjunction with other training activities for adults.
- Collect consistent data across key federal programs on adults with limited English skills. Data should include the country participants were born in (nativity), when they arrived in the U.S., years of education in the native country, and some measure of English language ability (ideally a test score, but at least the same self-reported data used by the Census Bureau).

6. Encourage programs to combine adult education, ESL, and job training services.

- Allow programs that combine job training, ESL and adult education, and receive both Title I and Title II funding under WIA, to be accountable for just one set of performance measures, with the program allowed to choose to use either those of Title I or Title II as is appropriate to their program design.
- Explicitly allow national research and demonstration funds to be used to create or expand, and evaluate, employment programs for individuals with low skills and/or limited English proficiency that combine job training, ESL and/or literacy services.
- Explicitly allow state reserve funds to be used for grants to create or expand combined adult education, ESL, and/or job training services.
- In performance measures for the adult funding stream, count English proficiency and literacy gains, as well as credential attainment, when coupled with job placement.

7. Promote informed consumer choice by creating a process for fixing problems with the provider certification system.

- Suspend the provider certification requirement temporarily. Create a task force of states and federal government to meet and make a set of regulatory and legislative recommendations to Congress to ensure that certification can be carried out at little or no cost to providers and in a uniform manner. Recommendations must be presented to Congress by 2006, and only when changes have been enacted and implemented would certification become effective again.

8. Clarify how WIA should take into account federal student aid received.

- Allow one-stops to consider whether someone has received a Pell grant in approving them for WIA-funded training, but in determining whether WIA should supplement the Pell grant, consider the extent

of unmet need using the definition of the cost of attendance in the Higher Education Act (which includes tuition and fees, books, supplies, dependent care, and living expenses).

TITLE II

1. IMPROVE EFFECTIVENESS OF SERVICES BY FOCUSING FUNDS ON HIGH-QUALITY PROGRAMS.

- Shorten and focus the criteria by which states award grants to local service providers so that priority is given to programs that provide a substantial number of hours of instruction to participants, have a high percentage of full-time teachers, and have clearly defined pathways to employment, job training, and postsecondary education (such as bridge programs customized to job training opportunities and articulation agreements with college developmental education programs). Priority should also be given to programs whose teaching practices and curricula reflect scientific research on how adults learn and reflect the goals (often related to work or to family) of the students.

2. ADDRESS THE NEEDS OF THOSE WITH LIMITED ENGLISH SKILLS.

- Include increasing English proficiency among the explicit purposes of adult education funding.
- Include limited English proficient individuals in the formula for distributing adult education funding to the states.
- Require that the federal peer review process for state plans include ESL experts on the peer review panel.
- Collect consistent data across key federal programs on adults with limited English skills. Data should include the country participants were born in (nativity), years of education in the native country, when they arrived in the U.S., and some measure of English language ability (ideally a test score, but at least the same self-reported data used by the Census Bureau).

3. ENCOURAGE PROGRAMS TO COMBINE ADULT EDUCATION, ESL, AND JOB TRAINING SERVICES.

- Add vocational adult education and vocational ESL to the list of categories for required local activities.
- Allow programs that combine job training, ESL, and adult education, and receive both Title I and Title II funding under WIA, to be accountable for just one set of performance measures, with the program allowed to choose to use either those of Title I or Title II as is appropriate to their program design.
- Use national leadership funds to create or expand and evaluate programs that combine basic skills and/or ESL, and job training services for individuals with limited English proficiency.
- Require states to report the number of combined job training and adult education/ESL programs funded under Title II.

4. STRENGTHEN LINKS TO POSTSECONDARY EDUCATION AND JOB TRAINING.

- Add as a purpose of the title "increase skills needed for access to, and success in, specific postsecondary education and job training opportunities by adults with low skills and/or limited English."
- Require state plans to include a description of how, on a regional basis, adult education will prepare people with limited English skills and/or low basic skills (with or without high school diplomas) to enter job training and other postsecondary education, including bridge programs customized to job training opportunities and articulation with college developmental education programs.

- Make explicit that entities other than the state education agency, such as those responsible for community and technical colleges or for workforce development, are eligible to administer adult education.
- Require states to conduct a legislative review periodically of which state agency—among those administering K-12 education, community or technical colleges, or workforce investment activities—is best suited given its mission and capacity to also administer adult education, with a view toward improving links and transitions to job training and other postsecondary education.

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WIA REAUTHORIZATION RECOMMENDATIONS

TITLE I

1. ELIMINATE SEQUENTIAL ELIGIBILITY.

Recommendation:

- Eliminate sequential eligibility and allow individuals to receive intensive and training services in any sequence determined appropriate by assessment in order to meet employment and earnings goals established in conjunction with the one-stop operator or partner.

Background: The sequential eligibility requirements under current law unduly restrict the flexibility of local boards and one-stop centers to provide the most appropriate services to customers on a timely basis. To the extent resources for intensive and training services are insufficient to serve every eligible individual, local boards can and should be relied upon to make priority decisions consistent with other provisions of WIA, and their local needs. Sequential eligibility rules have caused confusion in the field, and delays and denials of services to those who could benefit from them. Further, sequential eligibility rules send the message that intensive and training services should be reserved for individuals who truly cannot find employment on their own. This interpretation would preclude in most cases the use of WIA training to help low-wage workers, whether between jobs or currently employed, advance to better jobs. This was surely not the Congressional intent in creating WIA. As the Bush Administration has proposed, sequential eligibility should be eliminated.

2. PROMOTE GREATER ACCESS TO TRAINING.

Recommendations:

- Require that states and local areas spend a minimum percentage of adult and dislocated worker funds on training services.
- Require that states and local areas that fail to meet the expenditure requirement receive the same penalties for noncompliance that apply for failing to meet adjusted performance measures under current law.
- Require that in order to receive WIA incentive funds, states and local areas must spend at least the minimum percentage of funds on training.
- In their quarterly financial reports and annual reports, require that states report to the Department of Labor, and that local areas report to states, on the amount of adult and dislocated worker funds spent on each category of services (core, intensive, training).

Background: The number of adults and dislocated workers who received training in the initial year of WIA fell by 73 percent as compared to the number who received training during the final year of

JTPA.[1] Many local areas report a lack of adequate funding for Individual Training Accounts (ITAs) as a key factor in this decline. Under current law, there is no dedicated funding for WIA adult and dislocated worker training. Creating a "floor" for the share of WIA funds to be spent on training would help ensure that WIA remains primarily a skill development program, as Congress intended, and does not simply duplicate the labor exchange functions of other programs, such as Wagner-Peyser. The experience of Florida with such a policy shows it can be workable: Florida requires that 50 percent of adult and dislocated worker funds be spent on ITAs, and state agency staff have indicated they believe the policy has led to a greater number of individuals receiving access to training.

In addition, states are not required to report to the Department of Labor on the amount of WIA funds spent on training versus core and intensive services. As a result, stakeholders and taxpayers do not have access to national data on the amount of WIA funds spent on training; only three states included information on the share of funds spent on training in their 2001 WIA annual reports.

3. Improve adjustment of performance measures.

Recommendation:

- Adjust performance measures to take into account local conditions and characteristics of participants at intake, including:
  - Lack of high school diploma or GED;
  - Limited employment history;
  - Physical and mental health problems, including documented disabilities;
  - Low basic skills;
  - Limited English proficiency; and,
  - Local labor market conditions.
- To the extent that expected levels are adjusted to take into account populations with barriers to employment, states and local areas should be held accountable for serving these populations.

Background: Many stakeholders have raised concerns that the current system of negotiating performance levels, which was intended to allow the adjustment of expected levels, has not worked well. According to the GAO, performance measures are driving local staff to be reluctant to provide WIA-funded services to job seekers who may be less likely to find employment or experience earnings increases when placed in a job.[2] As both the Bush Administration and H.R. 1261 propose, stronger language is needed on the economic conditions and participant characteristics that should be taken into account when setting expected levels of performance. An objective methodology should be developed to adjust expected performance levels in a manner that is fair and consistent among all states and localities.

4. Require that performance measures take into account job quality and better capture earnings changes.

Recommendations:

- Add a measure requiring documentation of wages at placement, as well as availability of employer-sponsored health care and vacation/sick leave benefits.

- Revise the earnings change measure to capture earnings changes 12 months after the program (as compared to preprogram earnings).

Background: If WIA is to achieve its stated purpose to "improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the Nation," it is vital that the system be held accountable for the quality of jobs obtained by those who benefit from WIA-funded services. Research suggests that helping low-income adults obtain higher quality jobs than they would find on their own can lead to better job retention and larger long-term wage growth. While current performance measures for adults and dislocated workers capture employment placements, they fail to capture the quality of jobs in which participants are placed. Adding wages at placement and availability of employer-provided benefits would remedy this. In addition, research has shown that long-term follow-up is needed to see earnings gains for those in skill development programs.[3] The current six months is too short a period for such earnings gains to become apparent.

5. Address the needs of those with limited English skills.

Recommendations:

- State plans currently must describe how the state will meet the service needs of special populations. Limited English proficient individuals should be added to the list of special populations.
- Include assessment of English proficiency as part of core services.
- Add ESL to the list of activities that can be provided in conjunction with other training activities for adults.
- Collect consistent data across key federal programs on adults with limited English skills. Data should include the country participants were born in (nativity), years of education in the native country, when they arrived in the U.S., and some measure of English language ability (ideally a test score, but at least the same self-reported data used by the Census Bureau).

Background: The Census Bureau estimates that over 13 million legal immigrants arrived between 1990 and 2000, with about 58 percent arriving between 1995 and 2000.[4] In addition, the number of immigrants in our workforce has grown dramatically over the past decade—accounting for nearly half of all workforce growth—and will continue to grow, with immigrants expected to account for all of the growth in the prime-aged workforce (age 25-54) between now and 2020.[5] Yet there is little recognition of the importance of ESL services in the WIA legislation. Changes are needed to bring the law up to date with current needs.

6. Encourage programs to combine adult education, ESL, and job training services.

Recommendations:

- Allow programs that combine job training, ESL, and adult education, and receive both Title I and Title II funding under WIA, to be accountable for just one set of performance measures, with the program allowed to choose to use either those of Title I or Title II, as is appropriate to their program design.

- Explicitly allow national research and demonstration funds to be used to create or expand, and evaluate, employment programs for individuals with low skills and/or limited English proficiency that combine job training, ESL and/or literacy services.
- Explicitly allow state reserve funds to be used for grants to create or expand combined adult education, ESL, and/or job training services.
- In performance measures for the adult funding stream, count English proficiency and literacy gains, as well as credential attainment, when coupled with job placement.

Background: Scientific research on adult education programs, conducted primarily in the context of welfare reform evaluations, suggests that economic impacts (employment and earnings gains) are larger when adult education is integrated with or closely connected to job training and other postsecondary education.[8] Yet few adult education programs currently combine adult education, ESL, and job training. Federal leadership could help create more of these programs so that adult education can become more effective for those whose primary goals are to find a job or move up to a better job.

7. PROMOTE INFORMED CONSUMER CHOICE BY CREATING A PROCESS FOR FIXING PROBLEMS WITH THE PROVIDER CERTIFICATION SYSTEM.

Recommendation:

- Suspend the provider certification requirement temporarily. Create a task force of states and federal government to meet and make regulatory and legislative recommendations to Congress to ensure that certification can be carried out at little or no cost to providers and in a uniform manner. Recommendations must be presented to Congress by 2006, and only when changes have been enacted and implemented would certification become effective again.

Background: Current law requires that eligible training providers provide program-specific outcome information for all program participants, if any of them are WIA customers. This includes program completion rates, the percentage that obtains employment, and the wages at employment placement. Monitoring the employment and earnings outcomes of participants for each eligible program is critical to the successful use of ITAs under WIA, because it can allow customers to make informed choices about the training options available to them. Without that information on the performance of training programs, WIA customers could fall victim to ineffective or even fraudulent providers, as did many students in the federal student aid programs in the 1980s.

Yet despite its importance, the provider certification system is currently broken. The majority of providers appear to lack access to a cost-effective and timely means of tracking participant outcomes. Many training providers, particularly the community colleges, assert that the reporting requirements are costly and difficult to implement, especially relative to the small amount of training funds many providers receive. Anecdotal evidence suggests that, far from promoting consumer choice in training, the certification system is currently having the opposite effect by driving providers out of the system. Federal leadership is needed to help states and localities work through the legal and logistical issues involved in creating the means for local training providers to track and report outcome data easily and inexpensively, and in a consistent and timely manner, so that these important reporting requirements do not deter training providers from serving WIA clients.

8. CLARIFY HOW WIA SHOULD TAKE INTO ACCOUNT FEDERAL STUDENT AID RECEIVED.

Recommendation:

- Allow one-stops to consider whether someone has received a Pell grant in approving them for WIA-funded training, but in determining whether WIA should supplement the Pell grant, consider the extent of unmet need, using the definition of the cost of attendance in the Higher Education Act (tuition and fees, books, supplies, dependent care, and living expenses).

Background: In part due to conflicting messages from the Department of Labor and the Department of Education, confusion has arisen about whether Pell grants or WIA-funded ITAs should be the first source of funding considered in paying for education and training for individuals who are eligible to receive funding from both sources. This confusion should be resolved through the addition of clarifying language to the WIA statute to make it explicit that while one-stops can consider whether someone has received a Pell grant in considering whether to award an ITA, adults have other, substantial costs associated with participating in training beyond tuition and fees.

TITLE II

1. IMPROVE EFFECTIVENESS OF SERVICES BY FOCUSING FUNDS ON HIGH-QUALITY PROGRAMS.

Recommendation:

- Shorten and focus the criteria by which states award grants to local service providers so that priority is given to programs that provide a substantial number of hours of instruction to participants, have a high percentage of full-time teachers, and have clearly defined pathways to employment, job training, and postsecondary education (such as bridge programs customized to job training opportunities and articulation agreements with college developmental education programs). Priority should also be given to programs whose teaching practices and curricula reflect scientific research on how adults learn and reflect the goals (often related to work or to family) of the students.

Background: Current law directs states to consider a dozen different factors in awarding grants to local adult education providers; H.R. 1261 would expand the list still further. Congress could send a much clearer and stronger message to states and local providers about what it considers most critical for success in adult education by shortening this list to a small number of key program characteristics and directing states to give priority in funding accordingly. Hours of instruction are clearly central to success, as scientific research shows that many adult education students fail to obtain enough hours of instruction to make educational progress. Similarly, having full-time teachers is a necessary prerequisite for providing more hours of instruction and also for staff and curriculum development. Finally, as more scientific research on how adults learn becomes available, programs should be encouraged to base their teaching practices and curricula on it, taking into account the goals that adult learners bring to their studies.

2. Address the needs of those with limited English skills.

Recommendations:

- Include increasing English proficiency among the explicit purposes of adult education funding.
- Include limited English proficient individuals in the formula for distributing adult education funding to the states.
- Require that the federal peer review process for state plans include ESL experts on the peer review panel.
- Collect consistent data across key federal programs on adults with limited English skills. Data should include the country participants were born in (nativity), years of education in the native country, when they arrived in the U.S., and some measure of English language ability (ideally a test score, but at least the same self-reported data used by the Census Bureau).

Background: The Census Bureau estimates that over 13 million legal immigrants arrived between 1990 and 2000, with about 58 percent arriving between 1995 and 2000.[7] In addition, the number of immigrants in our workforce has grown dramatically over the past decade—accounting for nearly half of all workforce growth—and will continue to grow, with immigrants expected to account for all of the growth in the prime-aged workforce (age 25-54) between now and 2020.[8] Not surprisingly, English language learners are the fastest growing segment of those served in adult education, and current resources for language and job training services are dwarfed by the need. Yet there is little recognition of the importance of ESL services in the adult education legislation. Changes are needed to bring the law up to date with current needs.

3. Encourage programs to combine adult education, ESL, and job training services.

Recommendations:

- Add vocational adult education and ESL to the list of categories for required local activities.
- Allow programs that combine job training, ESL and adult education, and receive both Title I and Title II funding under WIA, to be accountable for just one set of performance measures, with the program allowed to choose to use either those of Title I or Title II as is appropriate to their program design.
- Use national leadership funds to create or expand and evaluate programs that combine basic skills and/or ESL, and job training services for individuals with limited English proficiency.
- Require states to report the number of combined job training and adult education/ESL programs funded under Title II.

Background: Scientific research on adult education programs, conducted primarily in the context of welfare reform evaluations, suggests that economic impacts (employment and earnings gains) are larger when adult education is integrated with or closely connected to job training and other postsecondary education.[9] Yet few adult education programs currently combine adult education, ESL, and job training. Federal leadership could help create more of these programs so that adult education can become more effective for those whose primary goals are to find a job or move up to a better job.

4. STRENGTHEN LINKS TO POSTSECONDARY EDUCATION AND JOB TRAINING.

Recommendations:

- Add as a purpose of the title "increase skills needed for access to, and success in, specific postsecondary education and job training opportunities by adults with low skills and/or limited English."
- Require state plans to include a description of how, on a regional basis, adult education will prepare people with limited English skills and/or low basic skills (with or without high school diplomas) to enter job training and other postsecondary education, including bridge programs customized to job training opportunities and articulation with college developmental education programs.
- Make explicit that entities other than the state education agency, such as those responsible for community and technical colleges or for workforce development, are eligible to administer adult education.
- Require states to conduct a legislative review periodically of which state agency—among those administering K-12 education, community or technical colleges, or workforce investment activities—is best suited given its mission and capacity to also administer adult education, with a view toward improving links and transitions to job training and other postsecondary education.

Background: Scientific research from welfare-to-work evaluations shows that the biggest economic impacts for adult education participants (employment and earnings gains) are for those who go on to job training or other postsecondary education. Yet many adult education programs lack clear pathways that articulate the content and credentials of their programs to job training and postsecondary education opportunities in the community. Encouraging regional planning to create such pathways would help more adults make these transitions, encourage more collaboration between adult education, job training, and postsecondary education, and make the links between adult education and college developmental education programs more coherent.

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[1] See Frank, A., et al. (2003). *The Workforce Investment Act: A First Look at Participation, Demographics, and Services.* Washington, DC: Center for Law and Social Policy.

[2] U.S. General Accounting Office. (June 18, 2003). GAO-03-884T. *Workforce Investment Act: Exemplary One-Stops Devised Strategies to Strengthen Services, but Challenges Remain for Reauthorization.* Washington, DC: Author.

[3] Saulcy, S. et al. (2003). *Connecting Business and the Wyoming Community College System: A Study of Employment Outcomes of 2001 Graduates from Wyoming Community Colleges.* Casper, WY: Wyoming Department of Employment, Research, and Planning; Martinson, K., & Strawn, J. (2003). *Built to Last: Why Skills Matter for Long-Run Success in Welfare Reform.* Washington, DC: Center for Law and Social Policy.

[4] CLASP calculations from U.S. Census Bureau. (2002). Retrieved from tables produced at http://factfinder.census.gov. Figures include the District of Columbia, but not Puerto Rico or other territories.

[5] Ellwood, D. (2002). "How We Got Here" in *Grow Faster Together. Or Grow Slowly Apart.* Washington, DC: The Aspen Institute.

[6] For a recent summary of this research, see Martinson, K., & Strawn, J. (2003) in Note 3 above.

[7] See Note 4 above.

[8] See Note 5 above.

[9] See Martinson, K., & Strawn, J. (2003) in Note 3 above.

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Side-by-Side Comparison of Title I Provisions in Recent WIA Reauthorization Proposals

by Nisha Patel and Mark Greenberg *(Updated June 25, 2003)*

This document summarizes and compares provisions in current law and the following WIA reauthorization proposals:

- An 8-page plan released by the Bush Administration in February 2003.
- A bill (H.R. 1261) introduced by Rep. McKeon (R-CA) and passed by the House of Representatives on May 8, 2003.

	Current Law	Bush Administration's Proposal	House Bill (H.R. 1261)
Adult Funding	Authorizes separate formula funding streams for adults and dislocated workers FY1999-2003. Separate funding for the Employment Service is also authorized for FY1999-2003 through the Wagner-Peyser Act.	Consolidates Adult, Dislocated Worker, and Employment Service funding streams. Labor exchange services would be the foundation, with remaining funds focused on training and intensive services.	Consolidates Adult, Dislocated Worker, and Employment Service funding streams into a single funding stream for "Comprehensive Employment and Training Activities for Adults." Authorizes funding through this funding stream for FY2004-2009. Provides that no state shall receive an allotment less than the total amount of adult, dislocated worker, and Wagner-Peyser funds the state received in FY2003.
Youth Funding	Authorizes youth formula funding stream for FY1999-2003. At a minimum, 30 percent of funds must be used to serve out-of-school youth. Not more than 5 percent of youth served in a local area may be individuals who do not meet income criteria, provided they meet other barrier-related eligibility criteria. Authorizes up to $250M in additional funding	Reforms current programs for youth through a Targeted State Formula Program designed to serve out-of-school youth. Formula funds would be allocated to states, and, as under current law, the governor and the state board would be responsible for setting policies and strategies to guide the use of the funds at the local level.	Authorizes funding through youth funding stream for FY2004-2009. Not more than 30 percent of funds for statewide activities and not more than 30 percent of funds available to local areas may be spent on activities for in-school youth. Activities for in-school youth may only be carried out in non-school hours or periods when school is not in session (such as before or after school or during summer recess). Removes exception to allow 5 percent of youth served to receive services if they do not meet income criteria but meet other barrier-related eligibility criteria. Eliminates **Youth Opportunity Grants**.

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	Current Law	Bush Administration's Proposal	House Bill (H.R. 1261)
	for competitive grants to local areas of high poverty through **Youth Opportunity Grants (YOGs)**.	**Challenge Grants** to Cities and Rural Areas: Cities and rural areas with programs that incorporate proven strategies would apply to the Department of Labor for this targeted funding. This includes lessons learned from the YOG initiative and other demonstrations. Grantees would need to demonstrate partnerships, financial contributions from a variety of sources including education and business communities, and inclusion of "best practices" as part of the program design.	Provides that 25 percent of annual appropriation of youth formula funds be used for **Youth Challenge Grants**. In fiscal years in which the appropriation exceeds $1B, $250M would be reserved for Youth Challenge Grants. • Not less than 80 percent must be used for competitive grants to states, local boards, Native American entities, and public or private entities applying in conjunction with local boards. Grants are for one year and may be renewed for four additional years. Secretary may require a match from grantees to provide a non-Federal share of the cost. Program participants may be youth ages 14-19. Funds may be used for activities designed to assist youth in acquiring skills, credentials, and employment experience necessary to succeed in labor force. • Up to 20 percent may be used for discretionary grants to public or private entities to provide activities to assist youth in preparing for, entering, and retaining employment. Funds may be used for out-of-school youth and for assisting in-school youth to stay in school and gain work experience. Secretary may require a match from grantees to provide a non-federal share of the cost and may require grantees to participate in evaluations.
Infrastructure Funding	No provision.	Operational cost of one-stop system financed through dedicated "One-Stop Infrastructure" funding through contributions of funds from partner programs either at the federal level or as a set-aside at the state level. Funding would go to the governor for local allocation. State and local partners could augment this funding as needed. The state board would work with governor to determine the most strategic uses for this funding within the state.	Authorizes governors to specify a portion of federal funds from required and additional partners to be taken and used to provide infrastructure funding for one-stops, taking into consideration the proportionate use of one-stop centers by each partner, the costs of administration for purposes not related to one-stop centers for each partner, and other relevant factors. • Funds could be taken only from funds available for administrative costs under the partner program and would be subject to

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			the limits on portions of funding that can be used for administrative costs under the partner program. • Programs that are federal direct spending under Sec. 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 shall not be required to provide an amount in excess of the amount determined to be equivalent to the program's proportionate use of one-stop centers in the state. Funds would be allocated to certified one-stops based on a formula developed by the state board. Infrastructure funds are defined as "nonpersonnel costs that are necessary for the general operation of a one-stop center, including rental costs of the facilities, costs of utilities and maintenance, equipment (including adaptive technology for individuals with disabilities), strategic planning activities for the center, and common outreach activities. Requires partner programs to cover costs or provide noncash resources relating to the operation of the one-stop delivery system that are not paid for with the above infrastructure funds (to the extent not inconsistent with the federal law involved) including: • Infrastructure costs in excess of above infrastructure funds • Common costs that are in additions to infrastructure costs • Costs of provision of core services applicable to each program The method of determining the portion of funds to be provided by each program will be determined as part of local Memoranda of Understanding (MOU).
Incentive Grants	Requires Secretary to award grants between $750,000 and $3M to states that exceed their	Does not address.	Restructures incentive grants to be awarded to states based on meeting or exceeding WIA

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	adjusted WIA performance levels, their expected Adult Education performance levels, and their Perkins performance levels.		performance measures; on performance in serving special populations, including the levels of service provided and the performance outcomes; and such other factors relating to performance as the Secretary determines appropriate. Governors may also award incentive grants to local areas based on exemplary performance with respect to performance measures and in serving special populations, including levels of service and performance outcomes.
National Emergency Grants	Authorizes Secretary to provide grants to states, local areas, and other entities to provide employment and training assistance to workers affected by major dislocations and to states that suffer emergencies or major disasters. Requires Secretary to designate a national dislocated worker office to coordinate employment and training activities for dislocated workers, including National Emergency Grants. Provides for additional National Emergency Grants assistance to the 8 states whose PY 1998 adult funding allocation divided by current program year adult funding allocation yields the greatest quotient.	Increases the proportion of funding for National Reserve for National Dislocated Worker Grants (formerly National Emergency Grants). National Dislocated Worker Grants would be provided to states and localities at the Secretary's discretion to address special layoff situations.	Renames National Emergency Grants as "National Dislocated Worker Grants." Eliminates national dislocated worker office. Eliminates provision allowing additional National Emergency Grants assistance to the 8 states whose PY 1998 adult funding allocation divided by current program year adult funding allocation yields the greatest quotient.
Limitations on Use of Funds	No WIA funds may be used for employment generating activities, economic development activities, investment in revolving loan funds, capitalization of businesses, investment in contract bidding resource centers, and similar activities that are not directly related to training for eligible individuals. No funds for statewide and local workforce investment systems may be used for foreign travel.	Strong fiscal controls need to be established at all levels of the system. An emphasis should be placed on data validation, strengthened monitoring, and oversight in order to ensure appropriate use of federal funds. Prudent use of taxpayer dollars is a core principle.	Eliminates restriction on use of WIA funds for employment generating activities, economic development activities, investment in revolving loan funds, capitalization of businesses, investment in contract bidding resource centers, and similar activities that are not directly related to training for eligible individuals. Adds requirement that WIA funds cannot be used to establish or operate stand-alone fee-for-service enterprises (does not include one-stop centers) that compete with private sector

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	No youth funds can be used to develop or implement education curricula for school systems.		employment agencies. No youth funds can be used to develop or implement education curricula for school systems.
Purpose	"To provide workforce investment activities, through statewide and local workforce investment systems, that increase the employment, retention, and earnings of participants, and, as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the Nation."	Does not address.	Adds language stating, "It is also the purpose of this subtitle to provide workforce investment activities in a manner that promotes the informed choice of participants and actively involves participants in decisions affecting their participation in such activities."
State Board Membership	Membership must include: • Governor • 2 members of each chamber of the state legislature, and • Representatives appointed by the governor, including: ○ Business representatives ○ Chief elected officials (representing both cities and counties where appropriate) ○ Labor representatives ○ Youth organization representatives ○ Representatives of individuals and organizations with experience and expertise in the delivery of workforce investment activities including chief executive officers of community colleges and community based organizations ○ Lead state officials of mandatory partner agencies ○ Other representatives that the governor may designate Members must represent diverse regions of the state and a majority must be business representatives. State may use an alternative entity as a state board if it was established under JTPA and in	Streamlines state board membership requirements to include at a minimum: • State agencies responsible for administering one-stop partner programs • State economic development agency • Business representatives • Worker advocates • State legislators Eliminates business majority requirement, but chair is still required to be member of business community. Gives governors authority to expand board membership. Eliminates alternative entity grandfathering	Requires that state rehabilitation agency directors and economic development agency officials be members of state board. Removes requirement that representative of youth organization be member of state board. Adds the following permissible partners, which, if made mandatory by the governor, would be required members of the state board: • Employment and training programs administered by the Social Security Administration, including Ticket-to-Work program • Programs under the IV-D Child Support program • Programs carried out in the local areas for individuals with disabilities, including programs carried out by state agencies relating to mental health, mental retardation, and developmental disabilities; state Medicaid agencies; State Independent Living Councils; and Independent Living Centers Eliminates alternative entity grandfathering

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	existence on December 31, 1997, substantially similar to a state board required under WIA, and includes representatives of business and labor organizations.	provisions.	provisions.
State Board Functions	Functions are to assist governor in: • Development of the state plan • Development of continuous improvement of statewide activities, including linkages to assure coordination and nonduplication of activities and review of local plans • Commenting at least once annually on Perkins performance measures • Designation of local areas • Development of adult and youth allocation formulas • Development and continuous improvement of comprehensive state performance measures • Preparation of annual report to Secretary of DOL • Development of statewide employment statistics system under Wagner-Peyser Act • Development of application for incentive grants	Functions would be to set policies and priorities for one-stop career center system, including development of minimum service delivery standards, comprehensive outreach strategies, and economic development strategies.	Adds function of assisting governor in development and review of statewide policies affecting integrated service provision, including one-stop certification criteria, one-stop infrastructure funding allocation, and equitable and efficient cost allocation in one-stop delivery systems. Removes requirement that state board review Perkins performance measures. Requires state board to assist governor to develop criteria for appointment and certification of local boards. Requires state board to set up criteria and procedures for certifying one-stops and specifies that certification is a requirement to receive infrastructure funds. Criteria for certification shall include minimum standards relating to scope and degree of service integration and how the centers ensure that providers meet the employment needs of local employers and participants. Explicitly authorizes state board to hire staff.
State Plans	Requires a state plan that outlines a 5-year strategy for the statewide workforce investment system. Lists special populations for which plan must specify how service needs will be met: dislocated workers and displaced homemakers, low-income individuals (including recipients of public assistance), individuals training for nontraditional employment, and others with multiple barriers to employment (including older individuals and individuals with disabilities).	Requires 2-year plans rather than 5-year plans.	Requires 2-year plans rather than 5-year plans. Adds the following to the list of special populations for which plan must specify how service needs will be met: Homeless; ex-offenders; and formerly self-employed and transitioning farmers, ranchers, and fisherman. Adds requirement to describe how services will be provided to individuals with disabilities consistent with Sec. 188 and Executive Order 13217 (concerning community-based

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			alternatives).
Local Areas	Governors required to designate local areas and take into consideration: • Geographic areas served by local educational agencies and intermediate educational agencies • Geographic areas served by postsecondary educational institutions and area vocational education schools • Extent to which local areas are consistent with labor market areas • Resources available to effectively administer required activities Governor of a state that was a single state service delivery area under JTPA as of July 1, 1998, may designate state as single state local area under WIA. Governor required to automatically approve any request for designation as a local area for: • Any unit of local government with population of 500,000 or more; • A JTPA rural concentrated employment grant recipient of demonstrated effectiveness that served as a service delivery area or substate area under JTPA (if request submitted); or • A JTPA area in a state that has a population of not more that 1,100,000 and a population density greater than 900 persons per square mile. Provides for appeal process (as established in state plan) for local government or grant recipient that requests, but is not granted, designation as a local area. State may require regional planning by local boards for a designated region in the state, may require local boards to participate in a planning process for establishment of regional performance measures, and may award	Eliminates initial and subsequent designation provisions. Eliminates local area rights to appeal non-designation to the Secretary.	Adds promotion of efficiency in delivery of services as a consideration for designation of local areas. Gives governors authority to deny request for continued automatic local area designation, if governor determines local area not to have performed successfully during preceding 2-year period. Eliminates automatic local area designation requirement for a JTPA area in a state that has a population of not more that 1,100,000 and a population density greater than 900 persons per square mile. Provides that a state may require local boards for a designated region to prepare a single regional plan that incorporates elements required in local plans and that is submitted and approved in lieu of separate local plans.

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	regional incentive grants to designated regions that meet or exceed regional performance measures.		
Local Board Membership and Functions	Membership must include representatives of: • Business • Local educational entities • Labor organizations • Community-based organizations • Economic development agencies • One-stop partners • Other entities the chief local elected official determines appropriate Majority of members must be business representatives. Requires establishment of Youth Councils as a subgroup of LWIB to develop portion of local plan relating to youth, coordinate WIA-funded youth activities, recommend providers of youth activities to be awarded grants/contracts, and conduct oversight of providers. Allows alternative entities that existed under JTPA that are substantially similar to local boards to be grandfathered in as local boards.	Removes requirement that one-stop partner programs have a seat on local boards. Ensure that local board members represent leading industry sector as well as geographic areas within the local community. Option to create "Operating Committees" comprised of one-stop partners and other key parties to provide advice on operational issues. Function should be focused on strategic planning and policy development. Makes Youth Councils optional. Eliminates alternative entity grandfathering provisions.	Makes the following modifications to membership composition: • Requires business representatives be from among leading industries in local area and include both large and small businesses. • Requires local secondary school system superintendents and presidents or chief executive officers of postsecondary educational institutions (including community colleges where such entities exist). • Requires representatives from faith-based organizations. • Eliminates requirement that one-stop partners and representatives of local education entities be on local board. • Members required to represent diverse geographic sections within local area. Makes Youth Councils optional. Eliminates alternative entity grandfathering provisions.
Local Plans	Requires local board to develop and submit to governor a comprehensive 5-year local plan in partnership with appropriate chief elected official. Local plan must include a copy of each MOU between the LWIB and each one-stop partner.	Requires 2-year plans rather than 5-year plans.	Requires 2-year plans rather than 5-year plans. Drops requirement that local plan include copies of MOUs with partners.
One-Stop Systems	**Required Partners:** • WIA • Wagner-Peyser • Adult Education and Literacy programs • Rehabilitation Act programs • Welfare-to-Work • Older Americans Act programs • Perkins postsecondary vocational	Build strong connections between the one-stop system and programs funded under adult education and vocational education.	**Required Partners:** Adds TANF, unless the governor opts out and notifies HHS and DOL Secretaries in writing. Eliminates Wagner-Peyser and Welfare-to-Work as required partners.

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	education activities • Trade Adjustment Assistance and NAFTA-TAA programs • Veterans Employment and Training • Community Service Block Grant employment and training activities • HUD employment and training activities • Unemployment compensation programs **Permissible Partners:** • TANF • Food Stamp employment, training, and work programs • National and Community Service Act programs • Other federal, state, or local programs, including private sector programs Includes grandfather provision for pre-WIA one-stops.		**Permissible Partners:** Adds the following: • Employment and training programs administered by Social Security Administration, including Ticket to Work program • Child support enforcement programs under IV-D of the Social Security Act • Programs for individuals with disabilities, including programs carried out by state agencies relating to mental health, mental retardation, and developmental disabilities, state Medicaid agencies, State Independent Living Councils, and Independent Living Centers Eliminates one-stop grandfather provision for pre-WIA one-stops.
Eligible Training Providers	To be eligible to receive funds, provider is required to be: 1) a postsecondary institution that is eligible to receive federal funds under the Higher Education Act of 1965 and that provides a program that leads to an associate or baccalaureate degree, or certificate; 2) an entity that carriers out programs under the National Apprenticeship Act; or 3) another public or private provider of a program of training services. Entities in categories (1) and (2) automatically receive initial eligibility upon application. Other providers are required to submit performance and program cost information and meet appropriate performance levels in order receive initial eligibility. For subsequent eligibility, all providers must submit performance and program cost information and annually meet appropriate performance levels.	Provide governors with the authority to determine what standards, information, and data would be required for the eligible training providers in their state. Governor would be required to set minimum standards for all providers in a manner that would ensure quality, choice, and accountability to the federal government.	Removes current eligibility requirements for training providers and gives governors broad authority to develop criteria and procedures for certifying training providers that is both performance and non-performance based. Governor may authorize local areas to establish additional criteria or modify the governor's criteria. Procedures developed by governor shall identify application process for training provider to become eligible, roles of state and local areas in receiving and renewing applications and making eligibility determinations, and process for providers to appeal denial or termination of eligibility. Governor shall ensure that appropriate list or lists of eligible providers, along with such information as governor determines appropriate, is provided to local boards to be made available to participants and the public.
Youth	Local board required to identify eligible	Does not address.	Local board required to identify eligible

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Activities Providers	providers of youth activities by awarding grants or contracts on a competitive basis, based on youth council recommendations and state plan criteria.		providers of youth activities by awarding grants or contracts on a competitive basis, based on state plan criteria. Allows sole-source grants or contracts if local board determines that there are an insufficient number of eligible providers for grants to be awarded on a competitive basis.

State Allotments: ***Adult Formulas***	**Adult:** ¼ of 1 percent is reserved for outlying areas and the remainder is distributed to states based on:
	• Relative number of unemployed individuals in areas of substantial unemployment (at least 6.5 percent)
	• Relative excess number of unemployed individuals (number above 4.5 percent)
	• Relative number of disadvantaged adults
	• Hold harmless and small state minimum provisions
	
	Dislocated Worker: 20 percent of funds reserved by Secretary for technical assistance, demonstration projects, National Emergency Grants, and assistance to outlying areas. The remainder is distributed to states based on:
	• Relative number of unemployed individuals
	• Relative excess number (number above 4.5 percent) of unemployed individuals
	• Relative number of individuals in each state who have been unemployed for 15 weeks or more
	
	Reallotment: The Secretary is authorized to reallot the amount by which a state's
		Consolidated Adult Block Grant: Formula should take into account formula factors used for the Adult, Dislocated Worker, and Wagner-Peyser programs. Secretary's reallotment authority would be based on expenditures rather than obligations.	**Consolidated Adult Block Grant:** 10 percent reserved by Secretary of which:
			• Not less than 75 percent must be used for National Dislocated Worker Grants.
			• Not more than 20 percent may be used for demonstration projects.
			• Not more than 5 percent may be used to provide technical assistance.
			
			Of the remaining 90 percent, not more than ¼ of 1 percent is reserved for outlying areas and the remainder is distributed to states based on the on the following formula:
			• In FY 2004, 26 percent is distributed based on FY 2003 Wagner-Peyser allotments if the amount available in FY 2004 is no greater than the amount available in FY 2003; in FY2005 and thereafter, 26 percent is allotted based on the allotment percentage of the previous fiscal year unless the available amount is increased.
			• 74 percent is distributed based primarily on:
			  ○ Relative number of unemployed individuals
			  ○ Relative excess number (number above 4.5 percent) of unemployed individuals
			  ○ Relative number of disadvantaged adults
			  ○ Restructured hold harmless and small state minimum provisions
			
			Reallotment: The Secretary is authorized to reallot the amount by which a state's

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	unobligated balance exceeds 20 percent of its allotment for the program year.		unexpended balance, excluding accrued expenditures, exceeds 30 percent of its allotment for the program year. Adds definition of **Accrued Expenditures** as including "the sum of actual cash disbursements for direct charges for goods and services, the net increase or decrease in the amounts owed by recipients, goods and other property received for services performed by employees, contractors, subgrantees, or other payees, and other amounts becoming owned for which no current service or performance is required."
State Allotments: *Youth Formulas*	In years in which the appropriate exceeds $1B, a portion of funds in excess of $1B shall be reserved for migrant and seasonal farmworker programs and up to $250M for Youth Opportunity Grants. The remaining amount in excess of $1B shall be used for funding to outlying areas and to states for Native American programs and for youth activities and statewide workforce investment activities. Remainder is distributed to states based on: • Relative number of unemployed individuals in areas of substantial unemployment • Relative excess number of unemployed individuals • Relative number of disadvantaged youth • Hold harmless and small state minimum provisions **Reallotment:** *Same as **Adult Formula** above.*	Does not specify formula.	Eliminates funding for migrant and seasonal farmworker programs and Youth Opportunity Grants. 25 percent of the amount appropriated for youth required to be reserved for Challenge Grants (up to a maximum of $250M). Of the remaining funds: • Not more ¼ of 1 percent reserved for assistance to outlying areas. • Not more than 1 ½ percent reserved for Native American programs. • The remainder is distributed to states primarily based on current law formula, with restructured hold harmless and small state minimum provisions. **Reallotment:** *Same as **Adult Formula** above.* **Accrued Expenditures:** *Same as **Adult Formula** above.*
Within State Allocations: *Adult Funding*	**Adult:** 15 percent of funds reserved at state level for statewide workforce investment activities. Of the remaining 85 percent: • Funds allocated to local areas based on each of the three factors used by Secretary to determine state allocation. • Alternatively, a state may distribute 70	**Consolidated Adult Block Grant:** Governors would allocate at least 50 percent to local areas: • 40 percent according to statutory formula, and • 10 percent according to formula determined by governor based on	**Consolidated Adult Block Grant:** Governor may reserve up to 50 percent for statewide activities (not less than half of which must be used to support provision of core services in local areas; see **Statewide Activities** below). Of the remaining 50 percent: • 85 percent must be allocated to local

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	percent of funds as outlined above and 30 percent of funds based on other factors relating to excess poverty and unemployment developed by state board and included in state plan. **Dislocated Worker:** 15 percent of funds reserved at state level for statewide workforce investment activities. Governor may reserve up to an additional 25 percent for rapid response activities. Remaining funds allocated to local areas based on formula prescribed by governor. **Reallocation:** The amount by which a local area's unobligated balance exceeds 20 percent of its allocation for the program year may be reallocated. **Administrative Costs:** 10 percent cap on amount of adult and dislocated worker funds that can be used for administrative costs at local level. **Transferability:** Up to 20 percent of funds at the local level may be transferred between adult and dislocated worker funding streams with approval of governor; increased to 30 percent for FY2003.	economic and demographic factors. Remaining funds available to governor for activities such as rapid response, support for core services, evaluations, and demonstrations.	areas based on same factors used by Secretary to determine state allocation. • 15 percent allocated to local areas based on an objective and geographically equitable formula developed by governor after consultation with state board and local boards. **Reallocation:** Governor may reallot amount by which a local area's unobligated balance at the end of the program year, excluding accrued expenditures, exceeds 30 percent of its allocation for the program year. **Administrative Costs:** 10 percent cap on use of funds by local boards for administrative costs.
Within State Allocations: ***Youth Funding***	Not more than 15 percent of youth formula funds can be reserved at the state level. Funds allocated to local areas based on each of the three factors used by Secretary to determine state allocation. **Reallocation, Administrative Costs,** and **Transferability:** *Same as* ***Adult Funding*** *above.*	Governors would have discretion to target funds to local areas with the highest eligible youth population.	Reduces the amount of youth formula funds that can be reserved at the state level to not more than 10 percent. Of the remaining 90 percent: • 80 percent allocated to local areas based on the three factors used by Secretary to determine state allocation • 20 percent allocated to local areas in accordance with such demographic and economic factors as the governor, after consultation with state and local boards, determines appropriate. **Reallocation** and **Administrative Costs:** *Same as* ***Adult Funding*** *above.*

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Statewide Activities: ***Adults***	**Required Activities for Adult and Dislocated Worker Funds Reserved at State Level:** • Conducting evaluations • Providing incentive grants to local areas for regional cooperation, local coordination of activities, and exemplary performance on local performance measures • Providing technical assistance to local areas that fail to meet local performance measures • Assisting in the establishment and operation of one-stop delivery systems • Operating a fiscal and management accountability information system • Rapid response activities are a required activity for dislocated worker funds **Permissible Activities for Adult and Dislocated Worker Funds Reserved at State Level:** • Not more than 5 percent can be used for administrative activities • Providing capacity building and technical assistance • Research and demonstrations • Innovative incumbent worker training programs • Programs targeted to empowerment zones and enterprise communities • Support for identification of eligible training providers • Innovative programs for displaced homemakers • Programs to increase the number of individuals training for and placed in nontraditional employment • Other activities that the state determines necessary to assist local areas in carrying out local activities	Does not address.	**Required Activities for Consolidated Adult Funds Reserved at State Level:** • Governor required to use not less than 50 percent of reserved funds to support provision of core services in local areas by distributing funds to local areas. Such funds may be used by states to employ state personnel to provide such services in local areas in consultation with local boards. • Remaining 50 percent must be used for rapid response activities and may be used to provide permissible activities described below. **Permissible Activities for Consolidated Adult Funds Reserved at State Level:** • Not more than 5 percent can be used for administrative activities • Supporting the provision of core services • Conducting evaluations • Providing incentive grants to local areas for regional cooperation, local coordination of activities, and exemplary performance on local performance measures • Providing technical assistance and capacity building • Providing a fiscal and management accountability system • Monitoring and oversight of activities • Implementing innovative programs, such as incumbent worker training programs, programs that serve individuals with disabilities • Developing strategies for effectively serving hard-to-serve populations and for integrating programs and services among one-stop partners • Implementing innovative programs for displaced homemakers, which may include public assistance recipients within 2 years of exhausting lifetime TANF eligibility • Implementing programs to increase number of individuals training for and

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			placed in nontraditional employment
Statewide Activities: ***Youth***	**Required Activities for Youth Funds Reserved at State Level:** • All required activities for adult funds listed above • Disseminating a list of eligible providers of youth activities and of training services • Providing additional assistance to local areas that have high concentrations of eligible youth to carry out activities • Not more than 5 percent can be used for administrative activities **Permissible Activities for Youth Funds Reserved at State Level:** • All permissible activities for adult funds listed above. • Carrying out required local activities (described below) on a statewide basis. • No funds can be used to develop or implement education curricula for school systems. • Not more than 5 percent can be used for administrative activities.	Does not address.	**Required Activities for Youth Funds Reserved at State Level:** Same as current law. **Permissible Activities for Youth Funds Reserved at State Level:** • All permissible activities for adult funds listed above. • Additional assistance to areas that have high concentrations of eligible youth. • No funds can be used to develop or implement education curricula for school systems. • Not more than 5 percent of funds may be used by the state for administrative activities.
Local Activities: ***Adults***	**Required Activities for Adults and Dislocated Workers:** • Establish one-stop delivery system • Provide **core services** including: ○ Eligibility determination for WIA services ○ Outreach, intake, and orientation ○ Initial assessment of skill levels, aptitudes, abilities, and supportive service needs ○ Job search and placement assistance, and, where appropriate, career counseling ○ Employment statistics information ○ Performance and program cost information on local providers ○ Local area performance information ○ Information on availability of supportive services ○ Information regarding filing	Does not address.	**Required Activities for Adults (including dislocated workers):** • Retains requirement to establish one-stop delivery system • **Core services** must also include: ○ Eligibility determinations for all one-stop partner programs ○ Labor exchange services, including job search and placement assistance, and where appropriate career counseling; appropriate recruitment services for employers; and reemployment services provided to unemployment claimants ○ Administration of the work test for unemployment compensation Eliminates requirement to provide assistance in establishing eligibility for Welfare-to-Work activities (authorization for this program has

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	unemployment compensation claims ○ Assistance in establishing eligibility for Welfare-to-Work activities and other programs of financial aid assistance for education and training ○ Follow-up services for not less than 12 months • Provide **intensive services,** including: ○ Comprehensive and specialized assessments of skills and service needs ○ Development of individual employment plans ○ Group counseling ○ Individual counseling and career planning ○ Case management for participants seeking training ○ Short-term pre-vocational services • Provide **training services**, including: ○ Occupational skills training, including training for nontraditional employment ○ On-the-job training ○ Programs that combine workplace training with related instruction ○ Training programs operated by the private sector ○ Skill upgrading and training ○ Entrepreneurial training ○ Job readiness training ○ Adult education and literacy activities provided in combination with the above activities ○ Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training **Permissible Activities for Adults and Dislocated Workers:** • Customized training and referral of qualified training participants to employment • Customized employment-related services to employers on a fee-for-service basis		ended). • **Intensive services** are retained, but revised as follows: ○ Case management no longer restricted to participants seeking training services. ○ Adds internships and work experience. ○ Adds literacy activities relating to work readiness, and financial literacy activities. ○ Adds out-of-area job search assistance and relocation assistance. **Permissible Activities for Adults (including dislocated workers):** Adds the following activities: • Customer support to navigate among multiple services and activities for special populations that face barriers to employment, including individuals with

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	• Supportive services to participants in core, intensive, or training services who are unable to obtain supportive services through other programs • Needs-related payments to training participants who do not qualify for (or have ceased to qualify for) Unemployment Insurance		disabilities • Employment and training assistance provided in coordination with child support enforcement activities • Work support activities designed to assist low-wage workers in retaining and enhancing employment, including assistance in accessing financial supports, provision of employment and training activities during nontraditional hours, and provision of on-site child care • Incumbent worker training programs, in which o Local board may use up to 10 percent of funds. o Programs must be carried out in conjunction with employers for purpose of assisting workers to obtain skills necessary to retain employment and avert layoffs. o Employers must pay a portion of cost as established by governor (or delegated to local boards): not less than 10 percent for employers with 50 or fewer employees; 25 percent for employers with more than 50, but less than 100 employees; 50 percent for employers with 100 or more employees. o Wages paid by employer during training may be counted toward employer payment.
Local Activities: *Youth*	**Required Services for Youth:** • Preparation for postsecondary educational opportunities • Strong linkages between academic and occupational learning • Preparation for unsubsidized employment opportunities • Effective connections to intermediaries with strong links to the job market and local and regional employers **Required Program Elements for Youth:**	Does not address.	**Required Services for Youth:** • Provides that services must be directly linked to one or more of the law's performance outcomes. • Adds activities leading to the attainment of high school diploma or GED (including recognized alternative standards for individuals with disabilities). • Adds preparation for advanced training. • Changes strong linkages between occupational learning by adding the phrase "that lead to the attainment of

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	• Tutoring, study skills training, and instruction, leading to completion of secondary school, including dropout prevention strategies • Alternative secondary school services • Summer employment opportunities that are directly linked to academic and occupational learning • Paid and unpaid work experiences • Occupational skills training • Leadership development opportunities • Supportive services • Adult mentoring • Follow-up services • Comprehensive guidance and counseling		recognized credentials." • Alters effective connections to intermediaries to "Effective connections to employers in sectors of the local labor market experiencing high growth in employment opportunities." **Required Program Elements for Youth:** • Adds GED preparation • Adds on-the job training • Adds financial literacy skills
Eligibility for *Intensive and Training Services*	Adults and dislocated workers who meet the following criteria are eligible for **intensive services:** • Are unemployed and are unable to obtain employment through core services; and • Have been determined by a one-stop operator to be in need of more intensive services to obtain employment; or • Are employed, but are determined by a one-stop operator to need intensive services to obtain or retain employment that allows for self-sufficiency. Adults and dislocated workers who meet the following criteria are eligible for **training services:** • Have met eligibility requirements for intensive services and are unable to obtain or retain employment through such services; • After interview, evaluation, or assessment, and case management, have been determined by one-stop operator or partner to need training and have skills and qualifications to successfully participate in the selected training; • Select training directly linked to employment opportunities in the local area	Provide greater flexibility in delivery of core, **intensive, and training services**. Individuals should have the opportunity to receive the services most appropriate for their unique needs. Remove any barriers to serving targeted populations though a comprehensive one-stop system. Concurrent delivery of services such as ESL and occupational training would also be specifically authorized as needed. Local areas authorized to provide a wide range of services (e.g., financial work supports, such as Food Stamps and Medicaid transitional assistance, and retention and advancement services, such as on-site child care and training during nontraditional hours) for low-wage workers that would enhance career advancement opportunities through the one-stop system. These supports and services would be funded by a variety of one-stop partners and made available through the one-stop system.	Adults (including dislocated workers) who meet the following criteria are eligible for **intensive services**: • Are unemployed and are determined by the one-stop operator to be unlikely or unable to obtain suitable employment through core services and in need of intensive services in order to obtain suitable employment; or • Are employed, but are determined by a one-stop operator to need intensive services to obtain or retain suitable employment. "Suitable employment" defined by governor. Adults (including dislocated workers) who meet the following criteria are eligible for **training services**: • After interview, evaluation, or assessment, and case management, have been determined by a one-stop operator or one-stop partner, as appropriate, to: ○ Be unlikely or unable to obtain or retain suitable employment through intensive services ○ Be in need of training to obtain or retain suitable employment; and

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	or another area where willing to relocate; and • Are unable to obtain other grant assistance, including Pell grants, or require assistance beyond other grant assistance, including Pell grants. **Priority for intensive and training services** given to public assistance recipients and low-income individuals when adult funds allocated to a local area are limited. **Low-Income Individual:** An individual who: • Receives, or is a member of a family that receives, cash payments under a federal, state, or local income-based public assistance program; • Received, or is a member of a family that received a total family income, for the 6-month period prior to application for the program involved, that in relation to family size, does not exceed the higher of the poverty line or 70 percent of the lower living standard income level; • Is a member of a household that received (or has been determined within the 6-month period prior to application for the program involved to be eligible to receive) Food Stamps; • Qualifies as a homeless individual under the McKinney Homeless Assistance Act; • Is a foster child on behalf of whom state or local government payments are made; or • In cases permitted by DOL regulations, is an individual with a disability whose own income meets one of the first two requirements above, but whose family income does not. **Lower Living Standard Income Level:** That income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary based on the most recent lower	**Priority of service** should be placed on unemployed workers. In addition, if state determines that funds are limited, a second-tier priority would also be placed on low-income individuals.	○ Have the skills and qualifications necessary to successfully participate in the selected training program. • Select training directly linked to employment opportunities in the local area or another area where willing to commute or relocate; or • Are unable to obtain other grant assistance, including Pell grants, or require assistance beyond other grant assistance, including Pell grants. Amount of federal student financial aid received may be taken into account in determining eligibility. **Priority for intensive and training services** given to unemployed individuals; if funds in a local area are limited, priority also given to public assistance recipients and other low-income individuals, including single parents, displaced homemakers, and pregnant single women. **Low-Income Individual:** Changes definition so that income cannot exceed the poverty line or the 70 percent of the lower living standard income level. Adds "receives or is eligible to receive free or reduced price lunch." **Lower Living Standard Income Level:** Removes definition.

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	living family budget issued by the Secretary. Training services must be provided though use of individual training accounts (**ITAs**), with the following exceptions, which allow for contracts: • On-the-job training or customized training • If the local board determines there are an insufficient number of eligible training providers in the local area to accomplish the purposes of ITAs • The local board determines there is a training program of demonstrated effectiveness offered in the local area by a community-based organization or other private organization to serve special participant populations that face multiple barriers to employment, which include: o Individuals with substantial language or cultural barriers o Offenders o Homeless individuals o Other hard-to-serve populations as defined by governor **Customized Training** is defined as training that is designed to meet the special requirements of an employer (including a group of employers); that is conducted with a commitment by the employer to employ an individual on successful completion of the training; and for which the employer pays for not less than 50 percent of the cost of the training.	Expand **ITAs** by changing them into Career Scholarships, which could be enhanced by adding other resources such as private (employer paid) and individual resources to facilitate training. Career Scholarships would be available to unemployed as well as certain groups of employed workers. Simplify the requirements for **customized training**, on-the-job training, and incumbent worker training in a way that would increase employer utilization of these tools while maintaining fiscal integrity. For example, with approval of the governor, local areas could spend up to 10 percent of their Adult funds on incumbent worker training. An employer match would be required. The amount of the match would be determined according to the size of the employer.	**ITAs** may include, in addition to WIA funds, funds from other programs and sources that will assist individuals in obtaining training. Adds individuals with disabilities to the list of special populations for the purposes of contracting for training. **Customized Training**: Changes employer contribution requirement to "a significant portion" as determined by the local board.
Eligibility for *Youth Services*	**Eligible Youth:** An individual who is not less than age 14 and not more than age 21 who is a low-income individual and is an individual with one or more of the following: deficient in basic literacy skills; a school dropout; homeless, a runaway, or a foster child; pregnant or a parent; an offender; an individual who requires additional assistance to complete an educational program, or to secure and hold employment.	Does not address.	Removes current definitions of eligible youth and out-of-school youth. **Out-of-School** are eligible if they are not younger than age 16 or older than age 24 and one or more of the following: school dropouts; recipients of a secondary school diploma or GED who are deficient in basic skills; court-involved youth attending an alternative school; youth in foster care or who have been in foster

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	Out-of-School Youth: An eligible youth who is a school dropout or an eligible youth who has received a secondary school diploma or its equivalent but is basic skills deficient, unemployed, or underemployed.		care. **In-School Youth** are eligible if they are low-income individuals and one or more of the following: • Deficient in literacy skills • Homeless, runaway, or foster children • Pregnant or parents • Offenders • Individuals who require additional assistance to complete an educational program, or to secure and hold employment Gives priority for services to school dropouts.
State Performance Accountability	**Core Indicators for Adults and Older Youth (19-21):** • Entry into unsubsidized employment • Retention in unsubsidized employment 6 months after entry into employment • Earnings change 6 months after entry into employment • Credential rate among those who enter into unsubsidized employment (for older youth, credential rate among those who enter into postsecondary education, advanced training, or unsubsidized employment) **Core Indicators for Dislocated Workers:** • Entry into unsubsidized employment • Retention in unsubsidized employment 6 months after entry into employment • Earnings replacement rate • Credential rate among those who enter into unsubsidized employment (for older youth, credential rate among those who enter into postsecondary education, advanced training, or unsubsidized employment The above indicators exclude individuals who participate in only self-service and	Changes should be made to current performance accountability system to ensure local program operators are not driven away from serving those most in need. Current indicators would be replaced by the 8 indicators (4 for youth and 4 for adults) being developed by the federal partner agencies as part of a new common measures initiative for employment and job training programs. Some federal partners may retain other measures of importance to their programs. As part of the common measures initiative, the core set of measures would also have a common set of definitions and data sets. Establish long-term national performance goals through notice and comment rulemaking. These national targets would form the basis of state-level negotiations, with the individual state-negotiated levels averaging the established national targets. A more dynamic performance negotiation process should be designed that would take into account local labor market needs and the characteristics of individuals being served. Stronger language should be added to the statute to encourage	**Core Indicators for Adults:** • Eliminates credential rate measure. • Adds efficiency of program in obtaining employment, retention, and earnings measures. • Eliminates exclusion of individuals who participate in only self-service and informational activities.

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	informational activities. **Core Indicators for Younger Youth (14-18):** • Attainment of basic skills and, as appropriate, work readiness or occupational skills; • Attainment of high school diplomas and their recognized equivalents; and • Placement and retention in postsecondary education or advanced training, or placement and retention in military service, employment, or qualified apprenticeships. **Customer Satisfaction Indicators:** • Customer satisfaction of employers and participants, which may be measured through surveys conducted after the conclusion of participation in activities. **State Adjusted Levels of Performance**: Set for first three years; adjusted levels for fourth and fifth years set prior to fourth year. **Factors taken into account in adjusting performance levels:** • Extent to which levels will assist state in attaining high level of customer satisfaction; • How levels compare with adjusted levels of other states taking into account factors including differences in economic conditions, participant characteristics at entry, and services to be provided; and • Extent to which levels promote continuous improvement in performance and ensure optimal return on investment of federal funds.	all levels of the system to take a variety of factors into account when establishing levels of performance. Such factors could include differences in economic conditions, such as the rate of job creation or loss, and differences in participant characteristics, such as indicators of poor work history or welfare dependency.	**Core Indicators for Youth (16-24):** Redefines measures as follows: • Entry into employment, education or advanced training, or military service • Attainment of high school diploma or GED (including recognized alternative standards for individuals with disabilities) • Attainment of literacy or numeracy skills • Efficiency of program in obtaining the outcomes above **Customer Satisfaction Indicators:** Eliminates requirement for customer satisfaction indicators. **State Adjusted Levels of Performance:** Set for two years, consistent with new provision for 2-year state and local plans. **Performance levels shall be adjusted based on factors in current law with the following revisions:** • Eliminates consideration of whether levels will assist the state in attaining a high level of customer satisfaction. • Provides that taking into account economic conditions when setting performance levels includes considerations "such as unemployment rates and job losses or gains in particular industries." • Provides that consideration of participant characteristics when setting performance levels includes considerations "such as indicators of poor work history, lack of work experience, low levels of literacy or English proficiency, disability status, and welfare dependency."
Local Performance Accountability	Local performance measures consist of the same core indicators and customer satisfaction indicators required for states.	Local performance measures would consist of the same core indicators required for states. Governors would have authority to add additional measures for use within their state.	**Factors taken into account in adjusting performance levels:** Same set of factors considered for states will be considered when local area performance levels are set; in

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	A local area subject to a reorganization plan for failing to meet performance levels for 2 consecutive years, may appeal to the governor to rescind or revise the plan within 30 days of receiving notice. Within 30 days of receiving the decision of the governor, state may appeal to Secretary. Includes language that requires states to establish fiscal and management accountability information systems that utilize quarterly wages records and adhere to Family Educational Rights and Privacy Act.		addition, disability status of participants will be considered. Eliminates right to appeal to Secretary after unsuccessful appeal to governor if local area sanctioned for failure to meet performance standards. Secretary may award grants to states for exemplary performance on measures described above, on serving special populations, and other factors as determined by Secretary. Governors may award grants to local areas for exemplary performance on measures described above and on serving special populations.
Reporting Requirements	**Data Reports:** State and local boards required to make accessible reports with information regarding programs and activities carried out pertaining to: • Relevant demographic characteristics (including race, ethnicity, sex, and age) and other related information regarding participants • Programs and activities in which participants are enrolled, and length of time that participants are engaged in such programs and activities • Outcomes for participants, including the occupations and placement in nontraditional employment • Specified costs of the programs and activities • Information necessary to prepare reports to comply with nondiscrimination provisions **State Annual Reports:** At minimum, must include information on participants relating to: • Entry into employment related to training received • Wages at employment entry	Does not address.	**State Annual Reports:** Requires performance indicators to include participants who received only self-service and informational activities. Adds language stating that in preparing reports "States shall establish procedures, consistent

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	• Cost of activities relative to effect on participant performance • Retention and earnings 12 months after employment entry • Performance on indicators for participants who receive training compared to those who received only services other than training (excluding participants who received only self-service and informational activities) • Performance on indicators by public assistance recipients, out-of-school youth, veterans, individuals with disabilities, displaced homemakers, and older individuals **Quarterly Financial Reports**: Local boards required to submit quarterly financial reports to the governor with respect to programs and activities carried out. Reports required to include information identifying all program and activity costs by cost category in accordance with generally accepted accounting principles and by year of the appropriation involved. States required to submit summary reports to Secretary on a quarterly basis. **Fiscal Management and Accountability System:** Governor, in coordination with local boards and chief elected officials in the state, required to establish and operate a fiscal and management accountability information system based on guidelines established by the Secretary after consultation with the governors, local elected officials, and one-stop partners. Guidelines required to promote efficient collection and use of fiscal and management information for reporting and monitoring the use of funds.		with guidelines issued by the Secretary, to ensure the information contained in the report is valid and reliable."
Technical Assistance	Requires Secretary to provide, coordinate, and support development of appropriate training, technical assistance, staff development, and other activities, including assistance in	Does not address.	Adds language that requires Secretary to also provide technical assistance that includes training of staff providing rapid response services, the training of other WIA staff, peer

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	replicating programs of demonstrated effectiveness. Provides for dislocated worker technical assistance to states not meeting performance measures for dislocated workers, for continuous improvement of dislocated worker services, and training of staff who provide rapid response services.		review activities, and assistance regarding accounting and program operation practices (when such assistance would not be duplicative to assistance provided by the state). Eliminates dislocated worker technical assistance. Requires Secretary to establish a system for states to share best practices information.
Demonstration and Research Projects	**Demonstration and Pilot Projects**: Secretary required to carry out, through grants and contracts, demonstration and pilot projects that include provision of direct services to individuals to enhance employment opportunities and an evaluation component. Projects may include: • Establishment of advanced manufacturing technology skill centers • Skills upgrade training for employed workers who reside and are employed in enterprise communities and empowerment zones • Joint programs with Department of Defense to develop training using computer-based and other innovative learning technologies • Promotion of distance learning • Assistance in providing comprehensive services to increase employment rates of out-of-school youth residing in target high-poverty areas within empowerment zones and enterprise communities • Partnerships with national organizations with expertise in employment and training services for individuals with disabilities • Assisting public housing authorities that provide public housing residents with job training that demonstrates success in upgrading skills and promoting employment • Assisting local areas to develop and	Does not address.	**Demonstration and Pilot Projects**: Restructures allowable projects to include the following: • Assistance to national employers in connecting with the workforce investment system to facilitate recruitment and employment of needed workers and to provide information to such system on skills and occupations in demand • Promoting development of systems that will improve program effectiveness and efficiency • Opportunities for employment in industries and sectors of industries that are experiencing or are likely to experience high rates of growth • State and local projects to test innovative approaches to delivering employment-related services • Partnerships with national organizations with expertise in employment and training services for individuals with disabilities • Assisting public housing authorities that provide public housing residents with job training that demonstrates success in upgrading skills and promoting employment • Projects that provide retention grants to qualified job training programs upon placement or retention of a low-income individual trained by that program in employment with a single employer for a

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	implement self-sufficiency standards to evaluate degree to which participants are achieving self-sufficiency Entities eligible to receive grants and contracts include: • Those with expertise in: ○ Conducting national demonstration projects; ○ Utilizing state-of-the-art demonstration methods; or ○ Conducting evaluations of workforce investment projects; or • State and local entities with expertise in operating or overseeing workforce investment programs. **Research Projects**: Requires Secretary to carry out research projects, through grants and contracts that will contribute to the solution of employment problems in the U.S.		period of 1 year; such employment must provide income of not less than 200 percent of poverty Eliminates dislocated worker projects. Eliminates language about eligible entities. **Research Projects**: Adds requirement that Secretary conduct studies to determine net impacts of programs, services, and activities. Secretary required to disseminate public reports containing results of studies.
Administrative Provisions	**Program Year:** With the exception of youth funds, appropriations shall be available for obligation only on the basis of a program year, which shall begin on July 1 in the fiscal year for which the appropriation is made. Youth funds shall be available for obligation beginning April 1 in the fiscal year for which the appropriation is made. **Grievance Procedure**: Requires Secretary to investigate allegations of violations if decision relating to violation has not been reached within 60 days and either party appeals to Secretary or a decision has been reached within 60 days and party to which decision is adverse appeals to Secretary. **Nondiscrimination**: Prohibits discrimination in participation, benefits, or employment because of race, color, religion, sex, national origin, age, disability, or political affiliation or belief.	Does not address.	**Program Year:** All appropriations shall be available for obligation only on the basis of a program year, which shall begin on July 1 in the fiscal year for which the appropriation is made. **Grievance Procedure**: Eliminates requirement for Secretary to investigate, but says Secretary may investigate. **Nondiscrimination**: Allows recipient of WIA funds that is a religious corporation, association, educational institution, or society to discriminate in employment on the basis of religion.
Waivers	Secretary may waive, for any state or local	Statutory limitations to increased waiver	In lieu of current waiver request submission

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	area, any WIA statutory or regulatory requirement (except requirements relating wage and labor standards, including nondisplacement protections, worker rights, participation and protection of workers and participants, grievance procedures and judicial review, nondiscrimination, allocation of funds to local areas, eligibility of providers or participants, the establishment and functions of local area and local boards, and procedures for review and approval of plans) and certain specified Wagner-Peyser statutory and regulatory requirements. Governor requesting a waiver required to submit a plan to Secretary describing requirements to be waived, actions taken to remove state or local statutory or regulatory waivers, goal of waiver and expected outcomes, individuals impacted, process used to monitor implementation, and process by which notice and opportunity to comment on request has been provided to local board. Secretary required to provide waiver within 90 days if and only to the extent that Secretary determines requirements requested to be waived impede ability to implement plan and state has executed MOU with Secretary requiring state to meet (or ensure that local area meets) agreed upon outcomes and to implement other appropriate measures to ensure accountability.	authority should be removed. Waiver process should be simplified. Work-Flex should be simplified to allow a "State Option" in which governors could apply for block grant authority. Under this option, governors would have complete discretion as to how to administer both adult and youth formula programs. Governors would determine sub-state funding and governance structures. The block grants would be guided by a set of guiding parameters, which should include the use of the one-stop career system as the core service delivery system, as well as a basic set of services to be provided. However, governors would have the responsibility for selecting partner programs and the array of services. Governors administering their programs under the State Option would need to submit a plan, similar to the TANF plan, to the Department. This plan would include expected levels of performance under federal common measures for employment and job training programs. A state that fails to meet negotiated levels of performance two years in a row would be subject to sanctions and loss of the authority to run programs under this option.	requirements, allows Secretary to establish expedited procedure for extending approved waivers to additional states.
Personal Reemployment Accounts	No provision.	Establish authority to create Reemployment Accounts, special self-managed accounts for use by individuals who are out of work and who have been identified as very likely to exhaust their Unemployment Insurance benefits.	No provision.

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